

STATE OF SOUTH CAROLINA

(Caption of Case)

Notice of Election of Piedmont Natural Gas
Company, Inc. for Application of the Natural Gas
Rate Stabilization Act to its Rates and Charges

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2005 - 125 - G

(Please type or print)

Submitted by: Scott TylerSC Bar Number: 12037Address: Moore & Van AllenTelephone: 704-331-2463100 N. Tryon Street, Suite 4700Fax: 704-378-1963Charlotte, NC 28202-4003

Other: _____

Email: scotttlyer@mvalaw.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other: Quarterly Monitoring Report for the Twelve-Month Period Ending December 31, 2008.

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input checked="" type="checkbox"/> Report		



March 13, 2009

VIA ELECTRONIC FILING

Mr. Charles Terreni
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Dear Mr. Terreni:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.
Pursuant to S.C. Code §58-5-430
Docket No. 2005-125-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending December 31, 2008, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4560 or David Carpenter at 704-731-4242.

Sincerely,

s/ Jenny Furr
Jenny Furr
Manager, Regulatory Reporting

Enclosures

c: ORS – Carey Flynt (e-mail and 5 copies via overnight delivery)
Scott Elliott (e-mail and U.S. Mail)
James H. Jeffries IV

Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2008
South Carolina
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 227,968,520	\$ (42,233,977)	\$185,734,543
Other Operating Revenues	1,023,194	-	1,023,194
Total Operating Revenue	\$ 228,991,714	\$ (42,233,977)	\$ 186,757,737
Operating Expenses			
Cost of Gas	\$ 155,165,970	\$ (41,596,386)	\$113,569,584
Other Operation & Maintenance	28,253,843	(\$651,884)	27,601,959
Depreciation	11,761,545	802,720	12,564,265
General Taxes	6,412,351	16,241	6,428,592
State Income Taxes	1,560,210	(560,369)	999,841
Federal Income Taxes	6,514,239	111,905	6,626,144
Amort. of ITC	(54,531)	-	(54,531)
Total Operating Expenses	\$ 209,613,628	\$ (41,877,774)	\$ 167,735,854
Net Operating Income	\$ 19,378,086	\$ (356,203)	\$ 19,021,883
Interest on Customer Deposits	(132,399)	-	(132,399)
Amortization of Debt Redemption Premium	(14,411)	72	(14,339)
AFDUC	157,923		157,923
Customer Growth	57,737	(748)	\$56,989
Net Operating Income For Return	\$ 19,446,935	\$ (356,879)	\$ 19,090,056
Original Cost Rate Base			
Plant in Service	\$ 381,495,738		\$ 381,495,738
Accumulated Depreciation	(147,895,831)		(147,895,831)
Net Plant in Service	\$ 233,599,907	\$ -	\$ 233,599,907
Add:			
Construction Work in Progress	6,014,695		6,014,695
Materials and Supplies	27,147,765		27,147,765
Cash Working Capital	(508,841)	(75,410)	(584,251)
Deduct:			
Customer Advances for Construction	-		-
Customer Deposits	3,959,990		3,959,990
Accumulated Deferred Income Taxes	39,389,471		39,389,471
Unclaimed Funds	342,164		342,164
Total Original Cost Rate Base	\$ 222,561,901	\$ (75,410)	\$ 222,486,492
Return on rate base	8.74%		8.58%

Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2008
South Carolina
Page 2 of 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	After Accounting and Proforma Adjustments							
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 784,358,738	(45,127,413)	\$ 739,231,325	43.49%	\$ 96,759,375	6.83%	2.97%	\$ 6,607,698
2. Common Equity	915,414,370	45,127,413	\$ 960,541,783	56.51%	125,727,116	9.93%	5.61%	12,482,359
3. Total	\$ 1,699,773,108	0	\$ 1,699,773,108	100.00%	\$ 222,486,491		8.58%	\$ 19,090,056

CERTIFICATION

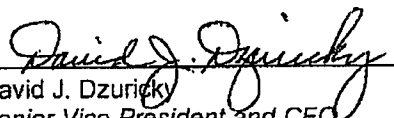
I, Thomas E. Skains and David J. Dzuricky, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains
President and CEO

3/13/09

Date Signed



David J. Dzuricky
Senior Vice President and CFO

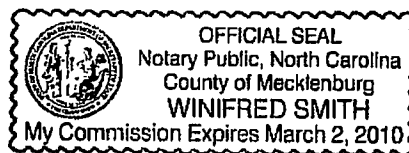
3/13/09

Date Signed

Subscribed and Sworn to before me this
13th day of March, 2009.



Notary Public



My Commission Expires March 2, 2010